

ZESIGER CAPITAL GROUP LLC
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Zesiger Total	-14.29%	-17.38%	-33.06%	4.80%	9.16%
Zesiger Private	-3.06%	8.08%	4.05%	10.51%	7.56%
Zesiger Public	-14.78%	-18.51%	-34.60%	4.20%	8.99%
MSCI ACWI	-12.46%	-16.51%	-26.47%	1.79%	8.53%
Russell 3000	-9.40%	-8.73%	-21.52%	0.26%	5.70%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio underperformed against both benchmarks for the month of September and for the third quarter of the year. We believe the markets are in the midst of a full-blown market panic associated with the housing and credit crises. A recession in the US now seems certain with a global recession anticipated. Wholesale liquidations and forced selling are driving prices down. Buyers are scarce or non-existent. Investors try to understand what is happening, but understanding is proving hard to come by. Markets have never liked uncertainty, and uncertainty is all we have now. The US and other governments are stepping in. They have a large number of tools to use in ameliorating the turmoil. In time, probably shorter than longer, the markets will right themselves.

The portfolio was impacted by the run on American International Group. Within 5 days, the stock plummeted from \$25 to \$3. Having held the stock through its steep descent, we finally capitulated on the basis that even if the government came to the company's rescue, the shareholders would not be allowed to benefit, particularly in an election year.

Our strongest recourse over this tumultuous period is to focus on the individual companies within the portfolio. There is a huge disconnect between the fundamentals of these companies and their stock prices. Two examples of companies that were the portfolio's laggards for September are illustrative: McDermott, which we recently repurchased for the portfolio after suffering a steep decline in share price, has an enterprise value of \$3.8 billion, cash of \$1.3 billion, no debt, and projected operating cash flow between \$1.1 and \$1.3 billion. Currently the stock is trading at an incredibly low 2 times this year's projected cash flow. Half of the company's business has locked-in contractual prices, and the other half is stable, governmental business, such as managing the US strategic petroleum reserves. General Cable ["BGC"] traded as high as \$83.50 within the past year. It ended the month of September at \$35.63, and as of this report's date, it is now at \$18.70. This is the company's book value. The last time BGC traded this low was in 2005. Since then revenues have tripled, earnings have quadrupled, and return on shareholder equity has more than doubled. Through acquisition, BGC now has a global footprint. Earlier this decade domestic sales accounted for 70% of revenues. Today that number is down to 30%. Earlier in the decade BGC was selling between 10 and 20 times earnings. Today it is selling between 4 and 5 times earnings.

Our investments in selected emerging markets, particularly in China and India, have contributed to the subpar performance this year. However, we continue to believe this global strategy will prove to be our strength. Unlike the western consumer, the Asian consumer is underleveraged. Even though growth has been tied to exports, except in India, emerging market governments have the tools to reinforce more domestic investment. Having raised interest rates earlier this year, these governments are in a good position to lower them now. These governments impressed us this year by beginning to make the right policy moves to removing governmental subsidies on food and fuel.

Stocks are being tossed among torrential waves. We remain steady on course.

MANAGER STYLE SUMMARY

Zesiger's unique mandate is best described as an "absolute total return" strategy: they are allowed to invest in any publicly traded equity or debt instrument (excluding derivatives) and private equity (which is also tracked by Hamilton Lane). Zesiger's style entails more of a long-term trend and growth orientation, which favors small growth stocks (particularly bio-tech), emerging markets and private equity -- this implies high volatility. Judgements regarding Zesiger's performance should entail a long-term (at least 5 yrs) perspective, given their style. Portfolio characteristics will tend to be growth-oriented, with a tendency for country allocations to be in less-developed countries. Zesiger will not track any particular index well.

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PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:	Zesiger	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				ok
B4. Number of issues	70	60	160	ok
B5. Normal Country Exposures:				
United States & Canada	48%	30%	100%	ok
Americas ex U.S.	5%	0%	25%	ok
United Kingdom	0%	0%	25%	ok
Europe ex U.K.	1%	0%	40%	ok
Japan	0%	0%	45%	ok
Asia Pacific ex Japan	29%	0%	50%	ok
Non-Index Countries	1%	0%	15%	ok
Cash & Hedges	16%			
Total	100%	(does not have to add up to 100%)		
C1. Currency or cross-currency position <= value of hedged securities				ok
No executed forward w/o corresponding securities position				ok
C2. Maximum forward with counterpart <= 30% of total mv of account				ok
F2. Brokerage commissions not to exceed \$0.06/share				ok
F3. Annual Turnover	32%		100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:

ORGANIZATIONAL/PERSONNEL CHANGES

none

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$):	\$	-
	Reason(s):				